

Construction Cost Indices and Forecast

Source >	DES-OE		DES-Structures OE		Global Insight (GI) ⁽¹⁾		ENR ⁽²⁾		UCLA ⁽³⁾	DOF ⁽⁴⁾	UCLA ⁽³⁾	GI ⁽⁵⁾	UCLA ⁽⁶⁾	GI ⁽⁷⁾
Indices > Revised July, 2010	CHCCI California Highway Construction Cost Index	% Change from previous year	Bridge Construction Cost Index	% Change from previous year	Highway & Street Construction Cost Index	% Change from previous year	Construction Cost Index	% Change from previous year	CPI Urban CA % Change	CPI Urban CA % Change	CPI All Urban % Change	CPI All Urban % Change	PPI Finished Goods % Change	PPI Finished Consumer Goods % Change
Year	State		State		National		National		State		National		National	
2002	100.0	-5.1	100.0	-3.3	1.00	1.5	1.00	3.1	2.4	2.4	1.6	1.6	-2.3	-1.5
2003	104.5	4.5	102.3	2.3	1.02	2.5	1.02	2.4	2.3	2.3	2.3	2.3	5.3	4.2
2004	152.0	45.5	139.2	36.1	1.09	6.8	1.09	6.3	2.6	2.6	2.7	2.7	6.2	4.4
2005	188.7	24.1	176.9	27.1	1.18	7.7	1.14	4.7	3.6	3.7	3.4	3.4	7.3	5.8
2006	197.3	4.6	162.7	-8.0	1.26	6.9	1.19	4.1	3.9	3.9	3.2	3.2	4.7	3.4
2007	183.6	-6.9	159.2	-2.1	1.33	5.9	1.22	2.8	3.3	3.3	2.9	2.9	4.8	4.5
2008	177.7	-3.2	158.8	-0.2	1.46	9.5	1.27	4.3	3.4	3.4	3.8	3.8	9.8	7.4
2009	155.1	-12.7	124.6	-21.5	1.41	-3.1	1.31	3.1	-0.3	-0.3	-0.3	-0.3	-8.7	-3.8
2010*	166.0	7.1	121.9	-2.2	1.47	3.7	1.33	1.7	1.6	2.4	1.7	1.5	5.6	4.2
2011F					1.51	3.1	1.35	1.5	1.7	2.7	1.7	1.4	1.3	0.2
2012F					1.57	3.8	1.39	2.6	2.0	3.0	2.0	2.0	2.8	2.3
2013F					1.61	2.7	1.42	2.1	2.2	3.5	2.1	2.1		2.3
2014F					1.66	3.2	1.47	4.1	2.0		1.9	2.1		1.7
2015F					1.71	2.8	1.52	3.2	1.8		1.8	2.1		1.5
2016F					1.74	1.7	1.55	1.6	1.8		1.7	2.0		1.4

Note: All cost indices are normalized to 2002 and are cumulative from the base year.

*Current year indices are based on the previous quarter data if available and are updated every quarter.

F: Forecast numbers are italicized.

(1) IHS Global Insight Highway and Street Construction Cost Index

(2) ENR Construction Cost Index, U.S. 20 City Average Source: ENR/Global Insight

(3) UCLA Anderson Forecast, July 2010 - The UCLA Anderson Forecast is a unit of The UCLA Anderson School of Management,

(4) California Department of Finance (DOF), Consumer Price Index, April 2010. DOF also publishes Economic Outlook report once annually as part of May Revision.

(5) IHS Global Insight Consumer Price Index - All Urban, Source: BLS

(6) UCLA Anderson Forecast, Publications, Economic Outlook 2010

(7) IHS Global Insight Producer Price Index - Finished Consumer Goods, Source: BLS

According to Bureau of Labor Statistics (BLS): (<http://www.bls.gov>)

Consumer Price Index (CPI)

A consumer price index is a measure of the average price of consumer goods and services purchased by households. A consumer price index measures a price change for a constant market basket of goods and services from one period to the next within the same area (city, region, or nation). The percent change in the CPI is a measure of inflation.

Producer Price Index (PPI)

A producer price index is a family of indexes that measure the average change over time in selling prices received by domestic producers of goods and services. PPIs measure price change from the perspective of the seller. This contrasts with other measures that measure price change from the purchaser's perspective, such as the Consumer Price Index (CPI). Sellers' and purchasers' prices may differ due to government subsidies, sales and excise taxes, and distribution costs.

Contract Escalation

Producer Price Index (PPI) data are commonly used in escalating purchase and sales contracts. These contracts typically specify dollar amounts to be paid at some point in the future. It is often desirable to include an escalation clause that accounts for changes in input prices. For example, a long-term contract for bread may be escalated for changes in wheat prices by applying the percent change in the PPI for wheat to the contracted price for bread. Consumer Price Index (CPI) data can also be used in escalation. For example, the CPI may be used to escalate lease payments or child support payments.